

IURC 2022 WINTER RELIABILITY FORUM

Indiana Municipal Power Agency

Jack Alvey, President and CEO

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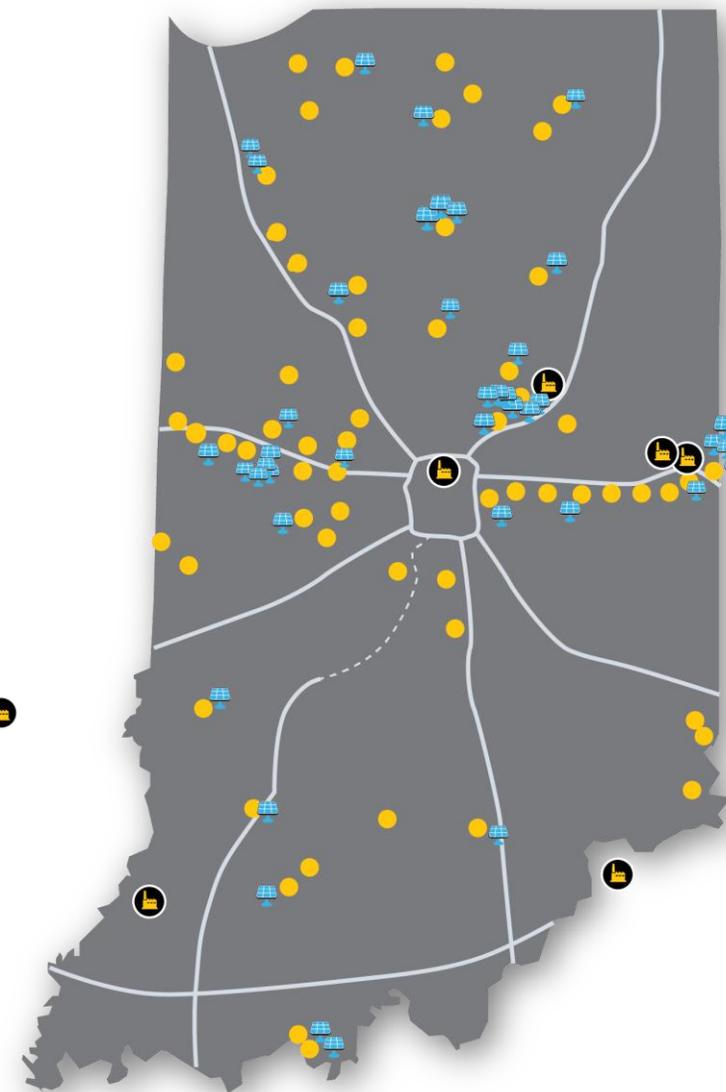
IMPA OVERVIEW

- IMPA is a wholesale power provider
 - Generation assets
 - Purchased power contracts
 - Deliver power to our member communities
 - 1200 MW system load
- IMPA was formed as an Indiana joint action agency in 1980 by 11 communities
 - Created to use economies of scale to acquire, construct and finance a reliable supply of low cost power
- Created by Indiana state statute
- Not-for-profit, political subdivision of Indiana
- Municipal electric utilities distribute the power to residents, businesses and industries
- IMPA operates in BOTH the MISO and PJM markets



IMPA OVERVIEW

- Longstanding mission - Provide low-cost, reliable and environmentally-responsible power through a diverse power portfolio
- Wholesale electric rates are among the lowest in the state
- Serve approximately 350,000 people in 61 Indiana and Ohio communities
- Financially strong
 - Annual revenues of approximately \$475 million
 - Total assets, approximately \$2.0 billion
 - A1/A+ Bond Ratings



IMPA PORTFOLIO OF RESOURCES



Gibson Station (Gibson County, Indiana)

- IMPA owns 156 MW
- Co-owned with Duke Energy and Wabash Valley Power Association



Trimble County Station (Northern Kentucky)

- IMPA owns 164 MW
- Co-owned with LG&E and Illinois Municipal Electric Agency



Prairie State Energy Campus (Southwest Illinois, near St. Louis, Missouri)

- Online in 2012; Mine mouth plant with 30-year supply of coal
- IMPA owns 200 MW (12.64%) of plant's 1600+ MW output



Whitewater Valley Station

- Operational control assumed by IMPA in 2014
- Two generating units (35 MW and 65 MW)



Peaking Stations (Anderson, Richmond and Indianapolis, Indiana)

- IMPA owns 7 combustion turbine units – approximately 400 MW
- 3 in Anderson, 2 in Richmond, 2 in Indianapolis



Solar

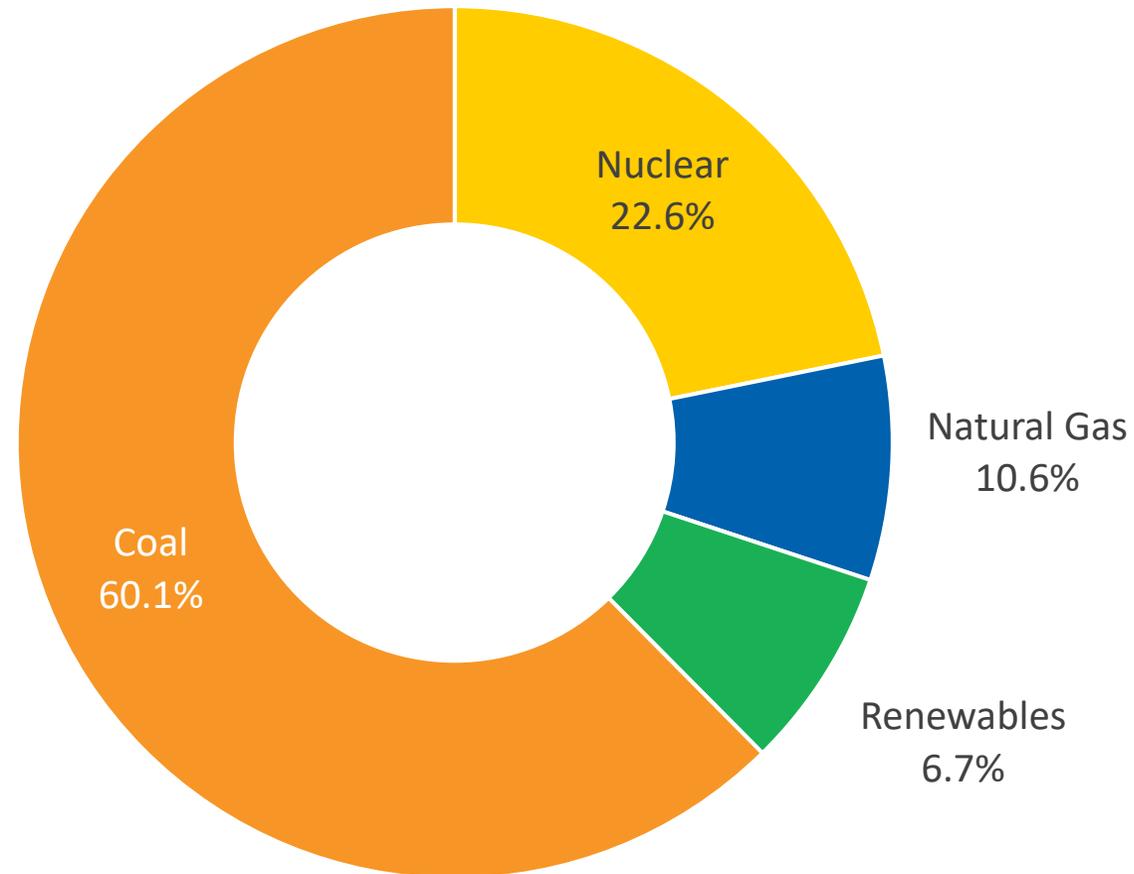
- 42 parks online in 25 member communities
- Total capacity of 165 MW; additional 37 MW expected in the next 1-2 years
- Environmentally-responsible and helps to keep future rates stable



Joint Transmission System (Indiana and Ohio)

- IMPA owns approximately 5.5% of the Joint Transmission System and has invested approximately \$83 million in transmission assets
- Covers approximately two-thirds of the state of Indiana

CURRENT IMPA POWER SUPPLY FUEL SOURCES



AGENDA



Rates



Actions for 2022/2023 Winter Season



Resources



MISO/PJM

WINTER 2022/2023 RATE TRENDS

IMPA Wholesale Rates

January 2023 - 8.88% average wholesale rate increase

IMPA Member Utility Retail Rates

7.1% increase in IMPA member communities

Increase due to significant increases in market power costs, natural gas, capacity, and transmission

WINTER PREPAREDNESS GENERALLY

- Geographic location in Midwest
 - IMPA prepares every year
- Generating units are enclosed
 - Designed for Midwest ambient conditions
- Year-round maintenance on all facilities
- Outages
 - All maintenance outages should be complete by 12/18/22

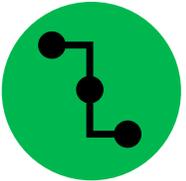


FUEL AVAILABILITY



Coal Inventories as of 10/27

- 7 out of 7 units – 30-35 days



Supply Chain

- High demand for trucking, delays deliveries and escalates pricing
- Rail congestion near mines, manpower concerns of the summer are easing



Natural Gas

- Reliant on pipeline availability and local gas distribution company



Fuel Oil

- Anderson Station (CT) – several days on hand
- Richmond Station (CT) – several days on hand

COMBUSTION TURBINE WINTER ACTIONS

Standard Operations:

- Complete weekly fuel surveys for MISO and PJM
- Natural gas agreements and pipeline access
 - Utilize marketer
 - Local distribution

Procedures if event occurs:

- Communicate potential needs with staff and natural gas suppliers in advance of event
- Additional checks of compartment heating and systems
- During Emergency Event
 - CT Generation sites staffed 24-hours
 - Operational staff prepared for short lead time start-ups
 - Coordinate daily with natural gas providers on scheduled availability



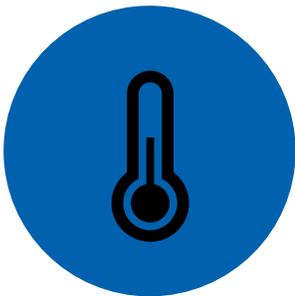
MISO SEASONAL CONSTRUCT

- MISO's seasonal construct appropriately emphasizes year-round resource adequacy
- IMPA's concerns with the new construct
 - Implementation timeline
 - Lead time
 - Backward looking accreditation
 - Restrictions/replacement rules on planned outages
- Coalition of Utilities with the Obligation to Serve (CUOS) FERC filing

MISO SEASONAL CONSTRUCT EFFECT ON IMPA



Going forward, IMPA will look at the winter accreditation rules, unit performance, and Planning Reserve Margin (PRM) criteria to determine capacity purchases or resource additions in order to optimize its position over the seasonal auction.



Based on the IMPA winter forecast, preliminarily released seasonal loss factors and PRMs, as well as the accreditation/RA hours data, IMPA estimates an increased short position if the seasonal construct had been in effect in the winter of 22/23.

SUMMARY

All preparations have been made for the 2022/2023 winter, including fuel supply adequacy, completed planned and maintenance outages, and additional system checks to ensure reliable delivery of power to our customer base.

Questions?